

Request for Adjustment

QUALIFYING

What is a request for adjustment?

A request for adjustment is a challenge submitted to the U. S. Department of Education (Department) that ensures a school's official cohort default rate calculation reflects changes that were **correctly** agreed to as a result of a school's draft data challenge.

Which schools are eligible to submit a request for adjustment?

All postsecondary schools (schools) regardless of their cohort default rate may request that the Department adjust its FY 1997 official cohort default rate. Schools do NOT have to be subject to any sanctions as a result of their cohort default rates.

Why should a school submit a request for adjustment?

A school should request an adjustment if:

- (1) it submitted a timely challenge of its draft cohort default rate data after the release of the draft cohort default rates;

AND

- (2) the entity reviewing the draft data challenge correctly agreed to make changes to the cohort default rate data;

BUT

Q . What is a draft data challenge?

A . A draft data challenge is the process used by a school to correct cohort default rate data before the *official* cohort default rates are calculated.

Please refer to the Department's *FY 1997 Draft Cohort Default Rate Guide* for additional information on draft data challenges.

- (3) the changes are not reflected in the school's official loan record detail report.

Can a school submit a request for adjustment for previous years?

No. A school can only request an adjustment for the most recent official cohort default rate data (in this case FY 1997). This also applies to those schools that have average cohort default rates.

Is a request for adjustment a type of erroneous data appeal?

No, a request for adjustment is not a type of erroneous data appeal. Requests for adjustment concern changes to data errors that were correctly agreed to during the draft data challenge, but were not made. Erroneous data appeals concern disputed data that was not resolved prior to the release of the official cohort default rates and/or incorrect new data that appeared after the release of the official cohort default rates.



Note

A school may be eligible to submit both a request for adjustment and an erroneous data appeal. If a school is submitting both, the two have different deadlines and standards, and they **MUST** be submitted separately.

Please refer to the "Erroneous Data Appeal" section beginning on page 77 for more information on erroneous data appeals.

What role does a guaranty agency have in a request for adjustment?

A guaranty agency is not directly involved in a school's request for adjustment. After the release of the official cohort default rates, a school's request for adjustment is submitted directly to the Department's Default Management Division. The Department adjusts the school's rate based on information correctly provided to the school during the draft data challenge process. The adjustment is **NOT** based on information received from a guaranty agency after the release of the official cohort default rates.

Q . What is an average cohort default rate?

A . An average cohort default rate is a type of cohort default rate calculation used when a school has **29 or fewer borrowers** entering repayment during a fiscal year.

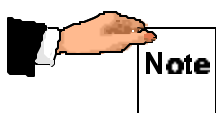
Q . Can a school submit a request for adjustment because incorrect new data appeared in the official loan record detail report?

A . No, a school can only submit a request for adjustment if the entity reviewing the school's draft data challenge correctly agreed to make a change to the data but the change was not reflected in the official loan record detail report.

How can a request for adjustment affect a school's cohort default rate?

If, as a result of a request for adjustment, the Department determines that a school's cohort default rate is incorrect, the Department will recalculate the rate using corrected data. This may **lower, raise, or not affect** any of a school's three most recent official cohort default rates.

Please refer to page 24 of the "Cohort Default Rates" section for information on adding and subtracting loans from the cohort default rate calculation.



Even though the Department may alter a school's cohort default rate calculation, subsequent copies of the school's loan record detail report will not reflect the change. Therefore, it is important to keep a copy of the Department's final determination letter as the official record of the school's cohort default rate.

TIMING AND SUBMITTING

What are the time frames and procedures for submitting a request for adjustment?

Timing is critical for a school when submitting a request for adjustment.

Step 1: Within **10 working days** of receiving its official cohort default rate notification letter, if the school did **not** receive the loan record detail report with its notification letter, it must submit a request for the loan record detail report to the Department using the "Request for Loan Record Detail Report" form on page 53.



All schools with an FY 1997 official cohort default rate of 10.0 percent or greater will receive an FY 1997 official loan record detail report with their FY 1997 official cohort default rate notification letter.



Time frames may overlap. Read ALL steps.

Step 2: Within **30 calendar days** of receipt of the official loan record detail report, a school must:

- compare the response(s) it received to its draft data challenge with its official loan record detail report;
- AND
- ensure the changes correctly agreed to during the draft data challenge were made.

Example 1: School of Business compared the May 5, 1999 response it received from the Direct Loan servicer with its official FY 1997 loan record detail report. School of Business discovered that Roger Jones' non-defaulted unsubsidized Stafford loan was correctly added to the school's FY 1997 cohort default rate calculation as was indicated in the Direct Loan servicer's May 5, 1999 letter.

School of Business did NOT include Roger Jones' loan on its FY 1997 Request for Adjustment spreadsheet because the loan was correctly added to the school's FY 1997 cohort default rate.

Step 3: Within **the time frame described in Step 2** (i.e., within 30 calendar days of receipt of the official loan record detail report), a school must compile a list of loans that should have been adjusted prior to the release of the official cohort default rates but were not.

A school should use the sample **Request for Adjustment** spreadsheet on page 75 to list the changes that were correctly agreed to during the draft data challenge BUT were NOT made.

Example 2: School of Business compared the April 23, 1999 response it received from ABC guaranty agency with its official FY 1997 loan record detail report. School of Business discovered that even though the April 23, 1999 letter from ABC guaranty agency agreed to remove Chris Smith's defaulted FFEL Stafford loan from the FY 1997 cohort default rate, Chris' defaulted FFEL Stafford loan was still included in the school's FY 1997 cohort default rate calculation.

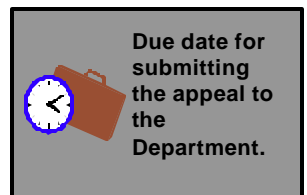
School of Business included Chris Smith's defaulted FFEL Stafford loan on its FY 1997 request for adjustment spreadsheet because the agreed upon change was not made.

Step 4. Within **the time frame described in Step 2** (i.e., with 30 calendar days of receipt of the school's official loan record detail report), submit the following to the Department using the address on page 71:

- a letter requesting an adjustment;

A school should use the sample **Request for Adjustment** cover letter on page 73;
- the **Request for Adjustment** spreadsheet as described in Step 3;
- AND
- copies of the relevant responses received as a result of the school's draft data challenge that identify the changes that were correctly agreed to but not made.


The recommended tabs and materials for a request for adjustment are shown on the next page.



Q . May a school submit its request for adjustment with its erroneous data appeal and/or improper loan servicing and collection appeal?

A . No. A school's request for adjustment must be submitted separately and **within 30 calendar days** of receiving its official loan record detail report.

The following material should be sent to the Department's Default Management Division at the address shown on page 71.

<p>The section behind Tab 1 contains: a letter on the school's letterhead with—</p> <ul style="list-style-type: none"> ◆ the school's OPE ID number; ◆ a statement indicating that the school is submitting a request for adjustment; ◆ the fiscal year to which the adjustment applies; ◆ the signature of the school's President/CEO/Owner, followed by a signature block providing the signer's name and job title; <p>AND</p> <ul style="list-style-type: none"> ◆ a notation that a copy of the cover letter is being sent to the relevant guaranty agency and/or Direct Loan servicer. <p>Schools should use the sample Request for Adjustment cover letter on page 73.</p>	Tab 1
<p>The section behind Tab 2 contains: a spreadsheet listing all of the loans that qualify for an adjustment.</p> <p>Schools should use the sample Request for Adjustment spreadsheet on page 75 and instructions on how to create the spreadsheet on page 74.</p>	Tab 2
<p>The section behind Tab 3 contains: a copy (or copies) of the original letter(s) and applicable attachments from the relevant guaranty agency and/or Direct Loan servicer indicating that a data change was agreed to as a result of a school's draft data challenge.</p> <div style="display: flex; align-items: flex-start;"> <div data-bbox="493 1394 636 1474" style="margin-right: 10px;">  <div style="border: 1px solid black; padding: 2px; width: 30px; text-align: center;">Note</div> </div> <div> <p>Schools do NOT need to submit supporting documentation or a copy of its loan record detail report as a part of its request for adjustment.</p> </div> </div>	Tab 3

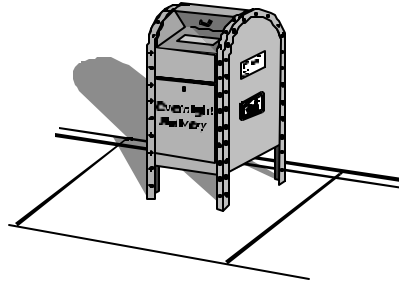


Note

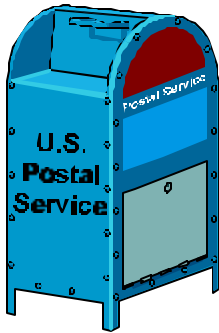
The Department will review only the information submitted with the request for adjustment and will not consider information submitted after the school's deadline. The Department will send the school and each involved entity written notification of its decision. **The Department's decision is final and no further administrative review is provided.**

If sent by commercial overnight mail/courier delivery, send the school's request for adjustment to:

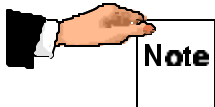
U.S. Department of Education
Default Management Division
ATTN: Request for Adjustment
ROB-3, Room 3905
7th and D Streets, SW
Washington, DC 20407



If sent by U.S. Postal Service, send the school's request for adjustment to:

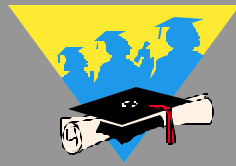


U.S. Department of Education
Default Management Division
ATTN: Request for Adjustment
Portals Building, Room 6300
400 Maryland Avenue, SW
Washington, DC 20202-5353



The Department will not accept any appeal correspondence by facsimile (fax) or e-mail.

The Department recommends that a school submit its request for adjustment return receipt requested or via commercial overnight mail/courier delivery. This will be useful to the school if it is asked to authenticate the timeliness of its appeal. A school should maintain the documentation which verifies the receipt of the appeal related material. In addition, the Department recommends that a school retain copies of all appeal documents provided to the Department and other entities.

Sample **Request for Adjustment** Cover Letter**School of Business**

1212 Wedgewood Lane
Leonardtown, Wisconsin 12345-6789
123-456-7890

October 4, 1999

Sample Letter

U.S. Department of Education
Default Management Division
ATTN: Request for Adjustment
Portals Building, Room 6300
400 Maryland Avenue, S.W.
Washington, D.C. 20202-5353

OPE ID#: 111222

Subject: FY 1997 Request for Adjustment

Dear Default Management Division:

School of Business, **OPE ID# 111222**, wishes to request an adjustment to its official FY 1997 cohort default rate.

Please see the enclosed spreadsheet and the copies of the draft data challenge responses.

Thank you for your consideration.

Sincerely,

Robert Young

Robert Young, President

Enclosures

cc: ABC Guaranty Agency
Direct Loan Servicer

Instructions for Request for Adjustment Spreadsheet

Column 1:

Enter the borrower's Social Security number (SSN) using hyphens to separate the numbers (for example, 000-00-0000)

Note

If a borrower has multiple loans, each loan which should be adjusted must be listed on the spreadsheet.

Column 2:

Enter the borrower's name.

Column 3:

Enter the loan type. Use the following codes to identify the type of loan.

Loan Type Codes	
Code	Description
D1	Direct Loan Subsidized Stafford Loan
D2	Direct Loan Unsubsidized Stafford Loan
SF	FFEL Subsidized Stafford Loan
SL	FFEL Supplemental Loans for Student Loan
SU	FFEL Unsubsidized Stafford Loan

Column 4:

Enter MM/DD/CCYY (month, day and year) to identify the date the data error was acknowledged as a result of the school's draft data challenge.

Column 5:

Enter the number code of the entity that agreed to make a change to the cohort default rate data but failed to do so (found in Appendices A and B)

Record all loans for which the school is requesting an adjustment using a spreadsheet software application such as Excel, Lotus 1-2-3, or Supercalc. The resulting spreadsheet is sent only to the Department's Default Management Division.

The spreadsheet should be on 8 1/2" x 11" paper in a landscape (horizontal) layout. A sample spreadsheet follows these instructions.

Header:

Enter **FY 1997 Request for Adjustment** in the center of the header area. In the left-hand area, enter the school's name and the school's OPE ID number.

Footer:

Enter the date the appeal was prepared in the left side of the footer area. Set up automatic pagination in the right side of the footer area so that the specific page number and the total number of pages show on each page, for example: page 1 of 10 pages.

Sort:

The borrowers listed on the spreadsheet should be sorted by:

1. Relevant entity identified by the guarantor/servicer code

2. Borrowers' Social Security number

Note

Only the allegations listed on the school's spreadsheet will be reviewed.

On Row 1, enter exactly the same column names in exactly the same order as listed on the sample spreadsheet. Ensure that column names appear at the top of each page.

On Row 2 and below, include the following data for each loan requiring adjustment:

Page 74

FY 1997 Official Cohort Default Rate Guide

Sample Request for Adjustment Spreadsheet

School of Business
OPE ID 111222

FY 1997 Request for Adjustment

Note: This is a sample spreadsheet.
(See instructions.)

[illegible]

10/04/1999

[send to U.S. Department of Education's
Default Management Division at the address listed on page 71.]

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